

Terms and Conditions Applicable to the Selling of Goods to Foster Stone International:

1. Acceptance/Agreement: Foster Stone International LLC ("FSI") and Seller agree that FSI's purchase order constitutes the Offer. Seller's written confirmation of an FSI purchase order (even though it states terms additional to or different from those offered by FSI or agreed upon) or Seller's commencement of work on the goods subject to any FSI purchase order or shipment of such goods, whichever occurs first, shall be deemed acceptance of any FSI purchase order and the terms and conditions herein. Any additional or different terms or conditions contained in Seller's acceptance are expressly rejected and FSI herein gives Seller notice that the same are objected to. Accordingly, any proposal for additional and/or different terms or conditions, or any attempt by Seller to vary any of the terms of any FSI purchase order or the terms and conditions contained herein is hereby rejected, but such proposals shall not operate as a rejection of this offer and this offer shall be deemed accepted by Seller without said additional or different terms. If, however, such variances are in the terms of price, such variance shall be deemed a material alteration, and FSI's purchase order will thereby be revoked. In the event any FSI purchase order is deemed to constitute an acceptance of Seller's offer, FSI's acceptance of Seller's offer is expressly made conditional on Seller's assent to FSI's purchase order and the terms and conditions contained herein. Notwithstanding anything to the contrary, Seller's failure to sign FSI's Purchase Order shall not in any event void, nullify, or release Seller from any and all obligations contained in the Purchase Order or these terms and conditions set forth herein and below.

2. Termination: In the event of any default by Seller, or if Seller fails to comply with the terms herein or of any FSI purchase order, FSI may terminate any part or the whole of any purchase order. Late deliveries, deliveries of products which are defective or which do not conform to any purchase order, and failure to provide FSI reasonable assurances of future performance shall be deemed a default by Seller and FSI may terminate any purchase order. In the event of termination, FSI shall not be liable to Seller for any amount, and Seller shall be liable to FSI for all damages sustained by reason of default.

3. Warranty: Seller expressly warrants that all goods furnished under this agreement shall conform to all specifications, applicable standards, including but not limited to FSI's additional specification requirements for any New Prime API SCT and/or New Prime API 5L material, and will be free from defects in material or workmanship. Seller warrants that all such goods will conform to any statements made on the containers, labels or advertisements for such goods, and that any goods will be adequately contained, packaged, marked and labeled in accordance with industry standards and other such governing customs and applicable state and federal laws. Seller warrants that all goods or services furnished hereunder will be merchantable, and will be safe and appropriate for the purpose for which the goods or services of that kind are normally used. If Seller knows or has reason to know the particular purpose for which the goods are intended, Seller warrants that such goods will be fit for such particular purpose. Inspection, test, acceptance or use of the goods or services shall not affect Seller's obligation under this warranty, and such warranties shall survive any inspection, test, acceptance and use. Seller's warranty shall run to FSI, its customers and users of products.

4. Risk of Loss: Seller shall bear all risk of damage or loss with respect to all goods or services until FSI receives and accepts the goods.

5. Force Majeure: FSI may delay acceptance occasioned by causes beyond its control, including governmental interference, action or inaction, restrictions, regulations, war, civil commotion, act of God, strike or other labor delay, fire, or other casualty, during which FSI's performance is excused. If directed by FSI, Seller shall hold such goods and shall deliver them when the cause affecting the delay has been removed or is otherwise terminated. FSI shall be responsible only for Seller's direct additional costs in holding the goods.

Notwithstanding anything to the contrary, all material purchased herein is subject to immediate cancellation at FSI's sole discretion pending any finding by the U.S. Department of Commerce pursuant to Section 232(B) of the Trade Expansion Act of 1962 that the country of origin of the material purchased herein threatens to impair U.S. national security. This includes any agreement or action by the U.S. government, including but not limited to any tariff(s) it deems necessary to adjust the imports of such material so that such imports will not threaten to impair the national security and including any action taken by the U.S. government against fairly traded products that are imported to the U.S. that are in addition to or supplement the usual trade remedy provisions dealing with dumped or subsidized products that target unfairly traded imports, regardless of whether such agreement or action is proactively or retroactively enforced. Any such agreement or action imposed by the U.S. government shall be deemed a material breach on the part of Seller of any contract entered into between the parties and in addition to FSI's option to cancel its purchase order, FSI may instead opt to demand specific performance of the parties' contract and will be entitled to set-off any amounts expended by FSI, including but not limited to tariff amounts, against the original purchase price of the material.

6. Duty to Defend/Indemnify: Seller shall indemnify, defend and hold harmless FSI, its parent and subsidiary companies and their respective directors, officers, employees and agents ("said persons") from and against any and all liabilities, claims, penalties, fines, assessments, demands, losses, damages, causes of action, suits, judgments and costs of every kind (including but not limited to all costs and expenses of defense settlement, judgment interest, court costs and attorneys' fees) which any of said persons may suffer, incur, pay out or be responsible for, that arise out of or are in any way connected to the manufacture, production, sale, normal use or other normal disposition of any good furnished hereunder or the performance or nonperformance of any work under any FSI purchase order or incident to any claim of patent or trademark infringement or title or unfair competition arising from Seller's activities. Seller's indemnity is owed regardless of whether the liability, claim, penalty, fine, assessment, demand, loss, damage, cause of action, suit, judgment and costs caused or occasioned in whole or in part by the joint, concurrent or contributory negligence or joint concurrent or contributory fault of FSI, its parent or subsidiary companies or their respective directors, officers, employees and agents (whether active or passive), except that the indemnity provided for in this paragraph shall have no application if to any liability, claim, penalty, fine, assessment, demand, loss, damage, cause of action, suit, judgment and costs resulting from the sole negligence or sole fault of FSI, its directors, officers, employees or agents, unmixed with the fault of any other person or entity. Further, it is the expressed intention that Seller's indemnity provided herein shall not be limited in any way by any limitation on the amount of damages, compensation or benefits payable by or for Seller or its contractors under worker's compensation acts or other employee benefit acts without regard to the extent of negligence, if any, of FSI. Seller at its sole expense shall investigate, handle, respond in, provide defense for, defend and pay damage resulting there from (including, but not limited to, settlements, judgments, fines, penalties and other assessments) even if it believes that such claim, demand or suit is groundless, false or fraudulent. FSI has the right to participate in its own defense, without relieving Seller of its obligations hereunder. The obligations and indemnities assumed by Seller shall not be limited by any provisions or limits of insurance required herein. If it is judicially determined that any of the indemnity obligations are invalid, illegal or unenforceable in any respect, the parties agree that said obligations shall automatically be amended to conform to the maximum monetary limits and other provisions in applicable law.

7. Changes: FSI shall have the right at any time to make changes in drawings, designs, specifications, materials, packaging, time and place of delivery and method of transportation.

8. Inspection-Testing-Nonconforming Goods: Payment for any goods or services shall not constitute FSI's acceptance thereof. FSI shall have the right to inspect any goods and to reject the whole, accept the whole, or accept any part of and reject the rest of any goods that are, in FSI's judgment, defective, nonconforming, or fail in any respect to conform to the terms herein and any purchase order. Upon FSI's election, Seller agrees to replace or correct defects of any nonconforming or defective goods or services, without expense to FSI. FSI may elect to require Seller to replace or correct any defect and at the same time expressly reserve its right to pursue all other remedies available to it against Seller for such defects. In the event Seller fails to correct defects in or replace nonconforming goods or services promptly, FSI may, after notice to Seller, make such corrections or replace such goods and services and Seller shall be responsible for FSI's cost of cover. Seller understands that because time is of the essence, FSI will not be required to replace or correct the nonconforming goods at the lowest possible price. Rather, Seller expressly agrees that any method employed by FSI and amount spent by FSI to replace or correct defective or nonconforming goods or services is reasonable and chargeable to Seller. Goods rejected and goods supplied in excess of quantities called for herein may be returned to Seller at its expense and, in addition to FSI's other rights, FSI may charge Seller all expenses of unpacking, examining, repacking, and reshipping such goods. In the event that any goods accepted by FSI are subsequently found to be nonconforming, FSI may revoke acceptance of any or all of the goods in any purchase order, without regard to what constitutes a commercial unit or the feasibility of segregating conforming from nonconforming items. Nothing contained in any purchase order shall relieve Seller in any way from the obligation of testing, inspection and quality control, and FSI shall have the right to audit product quality at Seller's premises and inspect all traceability documentation related to FSI's supply chain.

9. Setoff: All claims for money due or to become due from FSI shall be subject to deduction or set-off by FSI by reason of any claim, demand or counterclaim arising out of any purchase order, the terms herein, or any other transaction with Seller.

10. Shipment/Delivery: If in order to comply with FSI's required delivery date it becomes necessary for Seller to ship the goods in a more costly manner than specified in any purchase order, any increased transportation costs shall be paid for by Seller unless the necessity for such rerouting or expedited handling is caused solely by FSI. Time is of the essence of this contract. If delivery of items or rendering of services is not completed by the time contemplated by any purchase order, FSI reserves the right, without liability, and in addition to its other remedies, to terminate this contract. Seller will be responsible for FSI's cost of cover.

11. Withholding: FSI shall have the right to withhold any payment due Seller and apply the same to payment of any obligation of Seller to FSI or to any other parties arising in any way out of any FSI purchase order or Seller's performance hereunder.

12. Assignment: No right or obligation under any FSI purchase order or the terms herein (including the right to receive monies to become due hereunder) nor any claim arising directly or indirectly out of or in connection with this Order shall be assignable, nor subcontracted, in whole or in part by Seller or by the operation of law without the prior written consent of FSI. Any purported assignment or subcontract without such consent shall be void. However, consent by FSI shall relieve Seller of responsibility for Seller's obligations hereunder.

13. Breach: If Seller does not deliver conforming goods or render conforming services or deliver goods or render services within the time specified or if Seller or any subcontractor breaches any term or provision thereof, or becomes insolvent, enters bankruptcy, receivership or other like proceeding (voluntary or involuntary), or makes an assignment of the benefit of creditors, FSI shall have the right, in addition to any other rights or remedies it may have hereunder or by equity or law, to terminate the remainder of any FSI purchase order by giving Seller written notice, whereupon: (a) FSI shall be relieved of all further obligation hereunder, except to pay the reasonable value of Seller's prior performance, but not more than the contract price (or, at FSI's sole option, return to Seller any unpaid for product(s) or good(s)); and (b) title to any product(s) or good(s) of Seller's work, whether completed or partially completed, as well as all materials prepared, procured or set aside by Seller for use in the work, shall at FSI's option, upon giving written notice to Seller, vest in FSI, and FSI may enter Seller's premises and remove the same therefrom; and (c) FSI may, at its option, complete performance of the work, in which event, Seller shall be liable to FSI for all costs incurred by FSI completing such performance in excess of the contract price.

14. Rights and Remedies Cumulative/Waiver: The rights and remedies provided by this agreement are cumulative and are given in addition to any other rights FSI may have by law, statute, ordinance, or otherwise. FSI's exercise of any right or remedy will not preclude or waive its right to exercise any other right or remedy nor will its failure to insist on performance of any of the terms herein or to exercise any right hereunder shall waive any other rights whether of the same or similar type. No waiver by FSI of a breach of the terms herein or any purchase order may be construed as a waiver of any succeeding or preceding breach.

15. Limit on FSI's Liability/Statute of Limitations: In no event shall FSI be liable for anticipated profits, lost profits, incidental damages, consequential damages or penalties of any description. FSI's liability on any claim for any loss shall not exceed the price allocable to the goods or services which give rise to the claim. Any lawsuit against FSI arising out of the terms herein or any purchase order must be filed within one year after the cause of action has accrued.

16. Choice of Law/Service of Suit: Any dispute relating to any purchase order or any contract formed hereunder or the validity of any such contract shall be subject to the exclusive jurisdiction of the state courts located in Houston, Harris County, Texas and governed by and interpreted according to the laws of the State of Texas, without regard to principles of conflict of law. Seller agrees to submit itself to the jurisdiction of the state courts of Texas and will comply with all requirements necessary to give such court jurisdiction and all matters arising hereunder shall be determined in accordance with the law and practice of such court.

17. Attorneys' Fees and Costs: If FSI employs an attorney to enforce its rights under this agreement or any FSI purchase order, Seller agrees to pay FSI's reasonable attorneys' fees and costs.

18. Severability: Any provision found to be invalid by a competent court of law shall be severable and shall have no effect on the validity of the remaining terms and conditions.

THIS FORM CONSTITUTES THE ENTIRE AGREEMENT AND SUPERSEDES ALL PRIOR AGREEMENTS, EITHER WRITTEN OR ORAL. FSI'S OFFER IS EXPRESSLY MADE CONDITIONAL ON SELLER'S ASSENT TO THE TERMS HEREIN AND IN ANY FSI PURCHASE ORDER ("THE TERMS"). AND FSI AGREES TO PURCHASE THE GOODS ONLY UPON THE TERMS, AND NO OTHERS. SELLER'S ASSENT TO THE TERMS SHALL BE DEEMED GIVEN UNLESS SELLER NOTIFIES FSI IN WRITING WITHIN TEN (10) DAYS AFTER THIS FORM IS ISSUED OF SELLER'S SPECIFIC OBJECTIONS TO CERTAIN TERMS. IN ALL INSTANCES, SELLER'S COMMENCEMENT OF WORK ON THE GOODS SUBJECT TO ANY PURCHASE ORDER OR SHIPMENT OF SUCH GOODS WILL BE DEEMED SELLER'S ASSENT TO THE TERMS. THE MERE TENDER BY SELLER OF ITS OWN TERMS AND CONDITIONS OR OTHER SUCH FORM SHALL NOT BE DEEMED A SPECIFIC OBJECTION.